

Exhibit A. Leasehold Interest Site Plan - Fields & Residence

(Assigned lands are generally depicted below. Detailed property information is provided in the Inventory and Condition Report)

Exhibit B. Inventory and Condition Report

While the premises depicted in Exhibit A operates as a single functional unit, it consists of multiple land and building components, which are individually depicted and described below.

Exhibit C: Farming Enterprise Proposal

Attached hereto is a copy of the Lessee's winning proposal to lease and operate the Welton Farm. This proposal provides a conceptual overview of the type of enterprise which the Lessee proposed and which the Lessor accepted for the Welton Farm. It is attached here as a general description of the Lessee's and Lessor's intent. Both parties agree that any details presented in this proposal are subject to discussion, negotiation, modification, and mutual agreement prior to implementation. Such adjustments will occur in the course of preparing and approving an Annual Operating Plan, an Annual Operating Review, and such other means as may be useful. Any and all details of this proposal which may ultimately be implemented will be executed in full harmony with all sections of this Lease document.

Exhibit D. Lessor's Sustainable Agriculture Guidelines

The Lessor's "Preferred Production Practices for Sustainable Agriculture" are attached. These guidelines, originally published as Appendix B of the 2005 Countryside Initiative Request for Proposals, provide a general framework for environmentally responsible farming in CVNP. They offer clear conceptual guidance, without being narrowly and rigidly prescriptive regarding details. The guidelines enable the Lessee to select and propose a wide range of production practices for Lessor review and approval prior to implementation.

Countryside Initiative farmers will be expected to possess substantial knowledge of sustainable production practices. Lessees must demonstrate awareness of preferred production practices in their RFP submission. Subsequently farm lessees will have to provide greater detail on expected production practices in annual operating proposals.

There are a wide range of practices which are acceptable for most enterprise types, and Initiative farmers will be free to choose whichever practices they prefer, provided they do not violate general principles of sustainability. The charts shown here suggest a spectrum of practices from less sustainable to more sustainable. Farming in the real world is not abstract; it involves specific conflicting circumstances and pressures which are not easy to balance. In general, however, Initiative farms must strike a balance which puts them clearly within the more sustainable parts of the spectrum.

Mind-set for sustainable Agriculture*			
Less Sustainable Thinking		More Sustainable Thinking	
Get through this year	Next few years make or break	Transfer farm to kids or to another good farmer	Stewardship for many generations
* Adapted with permission from <i>Sustainable Vegetable Production from Start-Up to Market</i> (NRAES-104). Natural Resource, Agriculture, and Engineering Service, (NRAES), PO Box 4557, Ithaca, NY 14852-4557, www.nraes.org .			

Production Practices for Sustainable Vegetable/Crop Enterprises*			
Less Sustainable Practices		More Sustainable Practices	
Crop Rotation			
Monoculture (same crop in same field each year)	Two years between the same crop planted in the same field	Three years between the same crop planted in the same field	Four years between the same crop planted in the same field
Organic Matter Maintenance			
Add crop residues only	Add animal manures + crop Residues	Add cover crops, animal manures, + crop residues	Add compost, cover crops, + crop residues to soil
Nitrogen Fertilization			
Broadcast bagged fertilizer in fall	Broadcast bagged fertilizer in Spring	band and sidedress fertilizer to match timing of crop uptake	Rely on N from organic residues, in addition to timely fertilization
Insect Management			
Calendar spray insecticides (on predetermined schedule)	Scout for insect pests, then spray non-selective insecticide	Scout for insect pests, then spray selective, least-toxic pesticide	Use cultural practices and beneficial insects to control pests

Production Practices for Sustainable Vegetable/Crop Enterprises*

Less Sustainable Practices		More Sustainable Practices	
Weed Management			
Apply herbicides as primary weed control tool	Apply educed rates of herbicide and cultivate	Cultivate to remove weeds	Use allelopathy, smother crops, and mulches to suppress weeds
Disease Management			
Apply fungicide on a predetermined	Use disease modeling to time fungicide applications as needed	Employ cultural practices that prevent disease	Plant disease-resistant cultivars

* Adapted with permission from *Sustainable Vegetable Production from Start-Up to Market* (NRAES-104). Natural Resource, Agriculture, and Engineering Service, (NRAES), PO Box 4557, Ithaca, NY 14852-4557, www.nraes.org.

PRODUCTION PRACTICES FOR SUSTAINABLE LIVESTOCK ENTERPRISES

Like sustainable crop production, sustainable livestock production involves a wide range of production practices which are acceptable for Countryside Initiative farms. Initiative farmers are free to choose among literally hundreds of specific management options related to livestock species, breeds, genetics, facilities, feeds and feeding, grazing systems, health care, butchering and processing, marketing, and so forth – provided those choices result in humane care of all farm animals during the course of their lives, and provided that the environmental consequences of the livestock enterprise are positive.

ANIMAL WELFARE

Countryside Initiative livestock operations must use what are generally referred to as loose confinement systems. That is, poultry are not caged, swine are not tightly crated, beef cattle are not packed into feedlots, and dairy cattle are not confined to small exercise areas. All livestock must have regular access to open air and pasture. All livestock facilities must be properly ventilated and provide animals with clean, dry rest areas (sheltered from wind during cold weather). Each Lessee is responsible for recommending specific livestock management practices for CVCC/CVNP review and approval.

GRASS-BASED LIVESTOCK PRODUCTION

In simplest terms, Countryside Initiative livestock enterprises are expected to be grass-based. Plant scientist and grazing researcher E. Ann Clark, University of Guelph (Ontario, Canada), describes certain recent concepts of grass-based farming as attempts to mimic or mirror natural processes. In nature, there is no waste, because the output of every process constitutes the inputs for other processes. In contrast, conventional livestock production systems (which depend on specialized crop production to support livestock fed in confinement) break many of the natural cycles that protect ecological systems.

Clark notes that properly managed grass-based livestock production will mimic nature in at least five keyways, which are described below in very simplified form. Fuller, technical discussions by Clark and others will be available in a forthcoming volume on sustainable livestock production being published by Natural Resource, Agriculture, and Engineering Services (NRAES), a consortium of the Cooperative Extension Services of thirteen eastern land grant universities and the United States Department of Agriculture.

1. Ground Cover. Perennial pasture provides year-round ground cover protecting bare soil from crusting, pore clogging, and the erosive effects of rainfall. Ground cover acts as a mulch, reducing moisture loss, stabilizing daily soil temperatures, and inhibiting weeds and insects associated with annual plowing (which are conventionally treated with biocides). Note: The sustainable crop production practices described in this appendix also ameliorate many of the problems related to conventional annual plowing.

2. Soil Conservation. Perennial pastures grow and contribute to soil organic matter from early spring to late fall. Moreover, uncultivated land promotes the accumulation of organic matter and nutrients frequently lost during conventional cultivation. This enhances a vigorous soil biotic community, and strong

plant growth. In turn, that enhances water infiltration and reduces runoff, thereby reducing soil erosion and off-site contamination.

3. Nutrient Cycling. Perennial sods reduce the risk of off-site pollution through efficient nutrient cycling. They provide active nutrient uptake during high precipitation in early spring and late fall (in marked contrast to annual crops). Grassland impedes overland movement of water (hence the use of grass waterways). And deep-rooted pasture plants (like alfalfa) intercept and take up beneficial nutrients (which could become pollutants if they were to percolate past the plant root zone).

4. Manure. Livestock produce manure – a valued source of nutrients (in limited quantities) on a well-integrated farm. But manure is a huge waste/contamination problem for confinement feeding operations. In most large-scale livestock enterprises, where most of the livestock feed comes from off-site, there is little possibility that the site can absorb the manure generated. Initiative livestock enterprises will be expected to match livestock numbers to both the grazing capacity and the manure utilization capacity of a particular farm site. Note: It is also assumed that properly managed grass-based farms do not allow livestock direct access to streams or ponds, thereby avoiding water pollution and bank collapse/erosion.

5. Biocide Independence. Well-managed perennial pastures do not require any type of pesticide or herbicide.

In short, properly managed grass-based livestock production removes several serious environmental harms which frequently result from conventional, grain-based, close-confinement systems. Grass-based systems are well suited to the type of small scale, diversified farming preferred for the Countryside Initiative.

Additionally, lessees should be aware of two specific management practices commonly used in grass-based farming appropriate and preferred for Countryside Initiative enterprises – management intensive grazing and multi-species grazing.

1. Management Intensive Grazing. One of the key tools of grass-based livestock production is commonly termed management intensive grazing (MIG). The key word here is management: MIG is knowledge and labor intensive, not capital, chemical, or technology intensive. Indeed, some of today's finest graziers describe the management of soil, plants, livestock, weather, market demand, and other factors, as an art. That is an apt term for the depth of understanding, and creative adjustments, required to balance and guide so many subtle factors toward desirable ends.

Traditional/conventional pasture management in America has been anything but management intensive – or an art form. Traditional/conventional pasture management is often termed continuous grazing. The basic strategy here is to do nothing: Turn livestock into a pasture for the entire season, letting them pick and choose to eat whatever, and wherever they like. The many economic and ecological drawbacks to this practice need not be detailed here.

MIG systems operate at the opposite end of the sustainable grazing spectrum, using what is usually called rotational grazing or strip grazing. Here livestock are moved from one grazing paddock or area to another ever day or so (every few hours in some systems), depending on how a grazer chooses to balance the many factors involved. It is important to note that rotational grazing actually allows animal stocking rates from two to ten times as high per acre as continuous grazing – while avoiding the overgrazing problems commonly associated with continuous grazing.

2. Multi-species Grazing. The Initiative will encourage multi-species grazing in its various forms (grazing sheep, goats, cattle, and poultry sequentially or together). Multi-species grazing pushes pasture ecosystems toward diversity, complexity, and stability – while simultaneously reducing herd/flock disease and parasite pressure, and market cycle risks associated with single species production.

Exhibit E: Annual Farm Report

By November 15th of each year, the Lessee shall submit for the Lessor's review and approval an Annual Farm Report (AFR) which shall include a Year-end Review (YER) and the Proposed Operations and Development Plan (POD) for the coming year. The following guidelines amplify and clarify the intent of these reports (as referenced here and in Sections 1 and 6.3), and provide guidance on the kind of information that is to be included. In the future, the Lessor reserves the right to develop and require use of a more structured report format.

1. Year-end Review (YER)

The Lessee's annual YER should include the following elements:

1. A narrative clearly explaining what was attempted, and actually accomplished during the year being reviewed. The YER should use, as its basis, the Lessee's approved Proposed Operations and Development Plan (POD) for the concluding year – noting when and how the POD was implemented, as well as significant deviations or changes from the POD. **This section of the YER narrative should be accompanied by sufficient maps, graphics, charts, timelines, and illustrations to effectively document the Lessee's actual accomplishments in the given year.**
2. A narrative description of the Lessee's production and sales (agricultural and non-agricultural) and marketing activities for the preceding year.
3. A detailed description of the Lessee's alterations of the premises during the preceding year. This portion of the YER should parallel the corresponding section of the Lessee's POD for the same time period, noting what was originally proposed and the degree to which the proposed improvements were actually achieved. **This section of the YER should consist of a verbal narrative, and related maps, charts, budgets, construction details, illustrations, etc., in sufficient detail to effectively document the Lessee's property alterations in the given year.**

2. Proposed Operations and Development Plan (POD)

The Lessee's annual POD should include the following elements:

1. A reasonably detailed description of the Lessee's proposed agricultural activities (operations and development) for the upcoming year, giving particular attention to agricultural production. This narrative should clearly explain the Lessee's intent: **Verbal text should be accompanied by maps (whole farm, field/plot plans, etc.) which clearly locate any proposed production activity (such as plowing, planting, chemical application, soil amendments, poultry skids, dead livestock composting site, etc.).**
2. A clear description of the Lessee's proposed marketing and commercial activities related to the premises including the sales of products and services on-premises and off-premises (for example, farmstand sales, farmers' market sales, CSA or restaurant sales, etc.). **The description should include a complete list of all products and services the Lessee proposes to sell.**
3. A description of the Lessee's plans for promoting public access and educational activities on the premises.

The Lessor will review the overall program described in the Lessee's POD based on the original farm proposal and all subsequent agreements, approvals, and changes. Individual projects contained in the POD will be individually evaluated and approved/disapproved.

Exhibit F: Annual Financial Statement (AFS) Guidelines (See also Sections 1, 5, 6.4, & 10)

No later than April 20th, the Lessee shall provide the Lessor an Annual Financial Statement (AFS), summarizing the Lessee's Gross Revenue, and including Agricultural revenue and other qualifying income as reported to the Internal Revenue Service for the preceding tax year. The information provided in the AFS must be supported by attaching all of the applicable IRS forms such as:

- Schedules F, C, E;
- Form 1099 Miscellaneous;
- Form 1120S (page 1);
- Form 1120 (page 1); and
- Form 1065 (page 1).

The report should also describe and list all of the Lessee's qualifying revenues including (as described in Section 1):

- On-Premises Product Sales
- On-Premises Service Sales
- Off-Premises Product Sales
- Off-Premises Service Sales

In addition, the Lessee should provide their calculation of the Productive Value Component of Fair Market Value Rent as described in Section 5.5. The information provided in the Lessee's AFS will be used by the Lessor to calculate/verify the Lessee's Productive Value Component of Fair Market Value Rent. Following its review of the report and verification of the Productive Value Component, the Lessor will issue a Bill for Collection to the Lessee.

In the future, the Lessor reserves the right to develop and require use of a more structured report format. In addition, an audit may be required by the Lessor if the Lessee's financial statement lacks completeness or credibility based on the above requirements. (Any costs associated with preparation of a verifying audit are wholly the responsibility of the Lessee.)

In the event that an IRS extension has been filed, the Lessee can request an AFS submission extension. However, to be eligible for an extension, the Lessee must provide to the Lessor by April 20th, documentation of such filing as well as an estimated calculation of the Productive Component.

Exhibit G. The Secretary of the Interior's Standards for Rehabilitation

Introduction to the Standards

(as posted on the National Park Service website March 7, 2006, <http://www.cr.nps.gov/hps/tps/tax/rhb/stand.htm>)

The Secretary of the Interior is responsible for establishing standards for all programs under Departmental authority and for advising Federal agencies on the preservation of historic properties listed in or eligible for listing in the National Register of Historic Places.

The Standards for Rehabilitation (codified in 36 CFR 67 for use in the Federal Historic Preservation Tax Incentives program) address the most prevalent treatment. "Rehabilitation" is defined as "the process of returning a property to a state of utility, through repair or alteration, which makes possible an efficient contemporary use while preserving those portions and features of the property which are significant to its historic, architectural, and cultural values."

Initially developed by the Secretary of the Interior to determine the appropriateness of proposed project work on registered properties within the Historic Preservation Fund grant-in-aid program, the **Standards for Rehabilitation** have been widely used over the years--particularly to determine if a rehabilitation qualifies as a Certified Rehabilitation for Federal tax purposes. In addition, the Standards have guided Federal agencies in carrying out their historic preservation responsibilities for properties in Federal ownership or control; and State and local officials in reviewing both Federal and nonfederal rehabilitation proposals. They have also been adopted by historic district and planning commissions across the country.

The intent of the Standards is to assist the long-term preservation of a property's significance through the preservation of historic materials and features. The Standards pertain to historic buildings of all materials, construction types, sizes, and occupancy and encompass the exterior and interior of the buildings. They also encompass related landscape features and the building's site and environment, as well as attached, adjacent, or related new construction. To be certified for Federal tax purposes, a rehabilitation project must be determined by the Secretary to be consistent with the historic character of the structure(s), and where applicable, the district in which it is located.

As stated in the definition, the treatment "rehabilitation" assumes that at least some repair or alteration of the historic building will be needed in order to provide for an efficient contemporary use; however, these repairs and alterations must not damage or destroy materials, features or finishes that are important in defining the building's historic character. For example, certain treatments--if improperly applied--may cause or accelerate physical deterioration of the historic building. This can include using improper repointing or exterior masonry cleaning techniques, or introducing insulation that damages historic fabric. In almost all of these situations, use of these materials and treatments will result in a project that does not meet the Standards. Similarly, exterior additions that duplicate the form, material, and detailing of the structure to the extent that they compromise the historic character of the structure will fail to meet the Standards.

The Secretary of the Interior's Standards for Rehabilitation

The Standards (Department of Interior regulations, 36 CFR 67) pertain to historic buildings of all materials, construction types, sizes, and occupancy and encompass the exterior and the interior, related landscape features and the building's site and environment as well as attached, adjacent, or related new construction. The Standards are to be applied to specific rehabilitation projects in a reasonable manner, taking into consideration economic and technical feasibility.

1. A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
2. The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.
3. Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken.
4. Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved.
5. Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a property shall be preserved.
6. Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.
7. Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.
8. Significant archeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.
9. New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.
10. New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

Exhibit H. Lead Hazard Warning

Housing assignment and residential lease agreements for structures built prior to 1978 must contain the following information. The Lessor (National Park Service) and the Lessee will document, by signature, receipt of this information (to include informational pamphlet and other, if available, lead-based records).

Property/Lease Information

Tract number[s]



Property Name



Building number[s]



Address



Lease number



Lessee Certification of Receipt

This is to certify that the following information has been provided to and received by the Lessee. **Lessee: lease initial beside each item.**

X Informational pamphlet "Protect your family from lead in your home."

X Copy of EPA / HUD fact sheet #7074

X Warning:

"Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, Lessor must disclose the presence of lead-based paint and/or lead-based hazards in the dwelling. Lessees must also receive a federally-approved pamphlet on lead poisoning prevention."

X Available records or reports concerning lead-based paint and /or lead-based paint hazards for the structure(s).

Lessee		
Name Printed	Signature	Date

National Park Service			
Paul J. Stoehr	Acting Superintendent	Signature	Date